

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6205

BILL NUMBER: HB 1635

NOTE PREPARED: Nov 18, 2008

BILL AMENDED:

SUBJECT: Property Tax Credit for Unpaid Rebate Checks.

FIRST AUTHOR: Rep. Bardon

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill applies the amount of a warrant for the statewide rebate of property taxes on homesteads for taxes payable in 2007 that is unpaid for at least 180 days as a credit against future taxes on the same parcel.

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Under current law, checks issued by a local governmental unit are void if by December 31 they have been unpaid for at least two years. The unpaid items are receipted back into the local funds from which the checks were drawn.

Under this bill, a 2007 property tax rebate check would be void if not cashed within six months rather than two years. The amount of the rebate would then be applied as a credit against the taxes for the same parcel, payable either in 2009 or in 2010 depending on the timing of the 2009 county's billing. No credit would be applied to a subsequent year's tax bill in the event that the rebate amount exceeds the tax amount.

In those instances where a rebate check remains uncashed for at least six months, this bill would reduce the current property owner's 2009 or 2010 net tax bill. The number and value of uncashed rebate checks is not

known at this time.

State Agencies Affected:

Local Agencies Affected: County auditors.

Information Sources:

Fiscal Analyst: Bob Sigalow, 317-232-9859.